



# Press Release

## Industry leaders welcome 'Pact for the Euro'

**Brussels, 11 March 2011** – Europe's economic future crucially depends on the global competitiveness of its companies. The 'Pact for the Euro' agreed by Euro area leaders today is an important contribution to improved business framework conditions.

Leif Johansson, Chairman of the European Round Table of Industrialists (ERT), a forum of around 50 industrial leaders, said: "Today's agreement on a Pact for the Euro is an important signal that reinforcing Europe's economic future is a key policy priority. The Pact focuses on many of the economic fundamentals on which the global competitiveness of European companies is built."

Today's Pact contains many elements that will bring the attainment of ERT's Vision for a competitive Europe in 2025 closer. In its Vision, published in February 2010, ERT warned that if Europe did not respond to the increasing competitive challenges, it would lose its place at the forefront of global economic activity.

The Pact introduces a benchmarking of Member States' performance on several crucial indicators. Leif Johansson said: "Europe's future prosperity depends so fundamentally on our global competitiveness that every effort must be made to ensure the Pact's determined implementation together with the other existing EU instruments, including the Europe 2020 Strategy and the Stability and Growth Pact."

ERT particularly welcomes the intention to make specific national commitments in the areas of education, research & development and innovation. ERT also supports moves towards a common consolidated corporate tax base, and stronger monitoring of wage and productivity developments.

"For competitiveness it is very important that wage growth is based on productivity, so monitoring this development is essential", Leif Johansson underlined. "We also need to dramatically improve Europe's ability to innovate. Boosting R&D is a good move, but additional policy measures – such as those proposed in the Innovation Union flagship initiative as part of the Europe 2020 Strategy – must complement this to ensure research can be transformed into innovation."

"ERT has long supported a common consolidated corporate tax base. However, corporate tax *rates* must continue to be set freely in the Member States, as is foreseen by the Pact", Leif Johansson indicated.

ERT also welcomes the additional focus on improving the sustainability of public finances, including pension systems. "ERT's own benchmarking publication shows that state pension liabilities are a major factor impacting public finance sustainability. More transparency in the accounting for state pension liabilities, beyond the measures proposed by the Pact, will be needed", Leif Johansson suggested.

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**NOTE TO EDITORS:**

The **European Round Table of Industrialists (ERT)** is a forum of around 50 European industrial leaders aiming at promoting the competitiveness and growth of Europe's economy. ERT Members are Chairmen and Chief Executives of major multinational companies of European parentage covering a wide range of industrial and technological sectors. ERT derives its strength from the commitment and personal involvement of its Members. Companies of ERT Members cover a wide range of industry sectors, with headquarters situated in 18 European countries. Their combined turnover is €1,600 billion thereby sustaining around 6.6 million jobs in the region.

**ERT Chairman: Leif Johansson**

Leif Johansson is the President of AB Volvo and Chief Executive Officer of the Volvo Group since 1997.

**The ERT Vision, policy recommendations and regular progress assessment**

The ERT Vision for a competitive Europe was launched in February 2010. The result of an intensive visioning process drawing on the contributions of more than 200 participants, it outlines an ambitious and realistic image of Europe in 2025, and lists recommendations for policy action to attain it.

On the accompanying website ([www.europeontrack.eu](http://www.europeontrack.eu)), ERT carries out a regular assessment of progress. On the basis of the results, a new set of 'Quick Win' policy recommendations is developed once a year. The 'Quick Wins for 2011' are available at <http://www.ert.eu/DOC/09128.pdf>.

**EuropeOnTrack Website**

The website [www.EuropeOnTrack.eu](http://www.EuropeOnTrack.eu), launched in February 2010, contains a media section which includes photos, videos and quotes.

**ERT publications mentioned in this press release**

ERT Vision for a competitive Europe in 2025: [www.europeontrack.eu](http://www.europeontrack.eu)

Benchmarking progress towards a competitive Europe – A selection of competitiveness indicators: [www.ert.eu/DOC/09122.pdf](http://www.ert.eu/DOC/09122.pdf)

"The next EU Framework Programme for Research must reinforce the EU's innovation capacity": [www.ert.eu/DOC/09123.pdf](http://www.ert.eu/DOC/09123.pdf)

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